



[6450-01-P]

DEPARTMENT OF ENERGY

Office of Energy Efficiency and Renewable Energy

Guidance and Application for Hydroelectric Incentive Payments

AGENCY: Wind and Water Power Program, Office of Energy Efficiency and Renewable Energy, Department of Energy.

ACTION: Notice of availability of guidance and open application period.

SUMMARY: The U.S. Department of Energy (DOE) is publishing Guidance for the Energy Policy Act of 2005 Section 242 program. The guidance describes the hydroelectric incentive payment requirements and explains the type of information that owners or authorized operators of qualified hydroelectric facilities can provide DOE when applying for hydroelectric incentive payments. This incentive is available for electric energy generated and sold for a specified 10-year period as authorized under section 242 of the Energy Policy Act of 2005. In Congressional appropriations for Federal fiscal year 2016, DOE received funds to support this hydroelectric incentive program. At this time, DOE is only accepting applications from owners and authorized operators of qualified hydroelectric facilities for hydroelectricity generated and sold in calendar year 2015.

DATES: DOE is currently accepting applications from [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER] through **May 31, 2016**

Applications must be sent to hydroincentive@ee.doe.gov by midnight EDT, **May 31,**

2016, or they will not be considered timely filed for calendar year 2015 incentive payments.

ADDRESSES: DOE's guidance is available at:

<http://energy.gov/eere/water/downloads/2014-electrical-production-epact-2005-section-242-hydroelectric-incentive>

Written correspondence may be sent to the Office of Energy Efficiency and Renewable Energy (EE-4W), by e-mail at hydroincentive@ee.doe.gov.

FOR FURTHER INFORMATION CONTACT: Requests for additional information should be directed to Mr. Timothy Welch, Office of Energy Efficiency and Renewable Energy (EE-4W), U.S. Department of Energy, 1000 Independence Avenue, SW, Washington, DC 20585-0121, (202) 586-7055, hydroincentive@ee.doe.gov. Electronic communications are recommended for correspondence and required for submission of application information.

SUPPLEMENTARY INFORMATION: In the Energy Policy Act of 2005 (EPAc 2005; Public Law 109-58), Congress established a new program to support the expansion of hydropower energy development at existing dams and impoundments through an incentive payment procedure. Under section 242 of EPAc 2005, the Secretary of Energy is directed to provide incentive payments to the owner or authorized operator of qualified hydroelectric facilities for electric energy generated and sold by a qualified hydroelectric facility for a specified 10-year period (See 42 U.S.C. 15881). The Consolidated

Appropriations Act, 2016 authorized funding for the Section 242 program for conventional hydropower under EPAct 2005. In FY2016 DOE allocated \$3.5M for this purpose.

DOE finalized its Guidance for the Energy Policy Act of 2005 Section 242 program in December 2015. The final guidance is available at: <http://energy.gov/eere/water/water-power-program>. Each application will be reviewed based on the Guidance. DOE notes that applicants that received payments for calendar year 2014 and that are eligible for calendar year 2015 payments must still submit a full calendar year 2015 application. As authorized under section 242 of EPACT 2005, and as explained in the Guidance, DOE also notes that it will only accept applications from qualified hydroelectric facilities that began operations at an existing dam or conduit during the inclusive period beginning October 1, 2005 and ending on September 30, 2015. Therefore, although DOE is accepting applications for full calendar year 2015 production, the qualified hydroelectric facility must have begun operations starting October 1, 2005 through September 30, 2015 for DOE to consider the application.

When submitting information to DOE for the Section 242 program, it is recommended that applicants carefully read and review the complete content of the Guidance for this process. When reviewing applications, DOE may corroborate the information provided with information that DOE finds through FERC e-filings, contact with power off-taker, and other due diligence measures carried out by reviewing officials. DOE may require the applicant to conduct and submit an independent audit at its own expense, or DOE may

conduct an audit to verify the number of kilowatt-hours claimed to have been generated and sold by the qualified hydroelectric facility and for which an incentive payment has been requested or made.

Issued in Washington, DC, on April 21, 2016.

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Energy Efficiency and Renewable Energy

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